



DEPUTY SECRETARY OF DEFENSE  
1010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1010

JUL 14 2005

The Honorable Anthony J. Principi  
Chairman  
Defense Base Closure and Realignment Commission  
2521 South Clark Street, Suite 600  
Arlington, VA 22202

Dear Chairman Principi,

In your letter of July 1, 2005, you asked for the Department's comments on a number of installations in advance of the Commission's voting at your hearing on July 19, 2005, to consider these installations for closure or realignment analysis. Your July 12, 2005 letter requested witnesses to address the Commission's concern regarding recommendations impacting the Air National Guard.

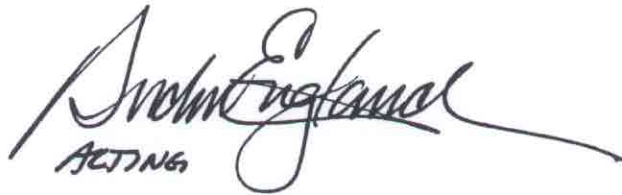
The Commission's independent assessment of the Department's recommendations and the subsequent reviews by the President and the Congress are each important steps to ensure that the final recommendations are fair, consistent with the selection criteria and force structure plan and will, in fact, increase the efficiency and effectiveness of our military infrastructure. As such, while the Department stands behind its recommendations, it fully supports the Commission's analysis of alternatives. As you undertake your review, please consider that each of the Department's recommendations is part of a comprehensive, integrated, and interdependent package. The recommendations submitted by the Department of Defense strengthen national security by reshaping the domestic installations at which U.S. military forces and their associated support elements perform their assigned missions.

The Military Departments and Joint Cross-Service Groups have provided the attached responses to the issues you raise. While I appreciate the opportunity to testify on July 18, 2005, Mr. Michael Wynne, Chairman of the Infrastructure Steering Group (ISG), will lead a panel that will include General William Nyland, Assistant Commandant of the Marine Corps, General Michael Moseley, Vice Chief of Staff of the Air Force, and Admiral Robert Willard, Vice Chief of Naval Operations. They are jointly designated to discuss the issues at the hearing. Additionally, we will provide a second panel to deal exclusively with the Commission's concerns regarding recommendations concerning the Air Guard. This panel will be led by Lt Gen Stephen Wood, Deputy Chief of Staff of the Air Force for Plans and Programs, and will include Maj Gen Gary Heckman, Assistant Deputy Chief of Staff of the Air Force for Plans and



Programs, Maj Gen Scott Mayes, Commander, 1<sup>st</sup> Air Force, and Commander, Continental U.S. North American Aerospace Defense Command Region, and Brig Gen Anthony Haynes, Air National Guard Assistant for BRAC.

Thank you for the opportunity to provide comments on these issues. If I can be of further assistance, please do not hesitate to contact me.



Andrew England  
ACTING

Enclosure:  
As stated

## **2. Naval Shipyard Pearl Harbor, HI**

Commission issue: Why was the Naval Shipyard Pearl Harbor, HI, not closed and the ship depot repair function realigned to Naval Shipyard Norfolk, VA; Naval Shipyard Portsmouth, ME; and Naval Shipyard Puget Sound, WA?

Response:

**KEY POINTS:**

- Industrial JCSG found excess capacity sufficient to justify closure of one shipyard.
- Military judgment favors retention of Pearl Harbor Naval Shipyard because of its strategic location and multi-platform capabilities.

**DISCUSSION:**

As noted in the minutes and report of the Industrial Joint Cross-Service Group, all four naval shipyards were analyzed to determine if there was sufficient capacity for any three of the shipyards to absorb the workload of the fourth based on the 20-year Force Structure Plan. That evaluation revealed that there is sufficient excess capacity to realign the workload of either Pearl Harbor Naval Shipyard or Portsmouth Naval Shipyard. The Industrial JCSG then reviewed military value and COBRA data to determine which closure was the preferred alternative.

The quantitative military value scores for Pearl Harbor Naval Shipyard and Portsmouth Naval Shipyard were very close. Shipyard total cost and proximity to ship homeports were evaluated as part of the quantitative military value analysis. The total cost attribute favored Portsmouth Naval Shipyard, while the homeport proximity favored Pearl Harbor Naval Shipyard. The Industrial JCSG also evaluated the differences in drydock and workload capabilities between the two shipyards.

The COBRA analysis indicated that realigning the Pearl Harbor Naval Shipyard depot function would produce greater net present value savings than realigning the Portsmouth Naval Shipyard depot function. However, the net present value savings associated with the DON fenceline closure of Portsmouth Naval Shipyard produces savings about the same as realigning the depot function at Pearl Harbor Naval Shipyard.

Although the quantitative military value score for Pearl Harbor Naval Shipyard was slightly lower than that of Portsmouth Naval Shipyard, it was the military judgment of the Industrial JCSG that Pearl Harbor Naval Shipyard's critical geographical location, adjacent to a significant portion of the Fleet and forward positioned in the central Pacific, combined with its capability to dock a nuclear-powered aircraft carrier, provided a higher overall military value to the Department. This judgment is supported by the DON, as indicated by its submission of the closure recommendation. Pearl Harbor Naval Shipyard is strategically located to support DoD's current and future mission capabilities in the Pacific. Loss of this critical asset will have an adverse impact on operational warfighting



capability, training and readiness. Additionally the Combatant Commander expressed operational concerns with a closure of the Pearl Harbor Shipyard in that it would result in reduced theater presence as a result of the associated increased transit times, a loss of emergent CVN drydock capability (the only option west of Washington state) and a general concern with the loss of availability of "logistics, supply and operational support services throughout the Pacific." Finally, the Navy was concerned with the personnel retention implications that would result from a closure of Pearl Harbor in that it would result in a significant increase in dockings being conducted out of homeport.